

Data Dilemma



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May 5, 2014

Budget & taxes

4

NY and NJ could be denied
\$1B-\$2B in Sandy relief

Politics & leadership

6

Supreme Court upholds
MI ban on affirmative action

Governors

8

Fallin orders
execution review

Bird's eye view

3

Hot issues

12

Once around the statehouse lightly

15

The next issue of
Capitol Journal will be
available on May 12th.

Top Story

Data breaches and credit card fraud are in steep decline around the world. But not in the U.S., where a failure to embrace more secure technology has made America the one place data theft is on the rise.

SNCJ Spotlight

Data breaches still on rise in U.S.

A massive breach of credit card account information five years ago was considered a wake-up call for retail businesses and financial services companies around the globe. But while that call appears to have been heeded in much of the world, data breach headlines continue to come at an alarming rate in the United States.



By Korey Clark

● In just the last several months, Neiman Marcus announced it was the victim of
● a data breach affecting about 1.1 million of its customers; craft retailer Michaels
● confirmed that a data breach compromised nearly 2.6 million customer accounts;
● Target Corp. reported that a data breach exposed the credit and debit card information
● of approximately 40 million customers and the addresses and telephone numbers
of about 70 million; and a Vietnamese man confessed in a federal court in New
Hampshire that he orchestrated a breach involving a subsidiary of Experian PLC that
exposed the social security numbers of as many as 200 million people.

Those were far from the first major, publicly reported breaches. T.J. Maxx
suffered a breach in 2007 that involved 90 million customers. And an even bigger
attack came two years later, when 130 million credit
card numbers were stolen from card processor Heartland
Payment Systems.

**“Data breaches are
a fact of life in the
United States.”**

Steven M. Elefant, managing director of Soaring
Ventures and Heartland’s chief security officer when it
was breached in 2009, said that incident should have been a wake-up call to retailers
and financial institutions that they needed to strengthen their defenses.

But a Feb. 18, 2014 report prepared by staff counsel for the California Assembly’s
Committee on the Judiciary stated:

“According to a Javelin Strategy and Research report, credit card fraud has
increased 87 percent since 2010, culminating in aggregate losses of \$6 billion
nationwide. For the year 2013 alone, Verizon [Enterprise Solutions] found that there
were more than 600 publicly disclosed data breaches.”

Such statistics are presumably what prompted Mallory Duncan of the National
Retail Federation to declare to a U.S. Senate subcommittee in February that “Data
breaches are a fact of life in the United States.”

But data breaches are a bigger problem here than in other parts of the world.
The United States accounts for over 47 percent of global credit card fraud, while
accounting for less than 24 percent of global credit card spending, according to the
August 2013 issue of *The Nilson Report*, a credit card industry newsletter.

“The U.S. is the only world region where counterfeit fraud continues to rise,” said
the newsletter’s publisher, David Robertson, according to *The New York Times*.

One major reason for that, Robertson added, is the failure of American credit card
issuers to embrace smart-chip technology. Over 80 countries have adopted smart-chip
cards, which, unlike older magnetic-stripe cards, generate a unique code with each
transaction, making stolen data less useful for thieves.

As *The Times* reported, Europe began migrating to smart-chip technology back
in 2002, well before the T.J. Maxx or Heartland data breaches. In 2005, liability for
credit card fraud was shifted from the card issuers to merchants in cases where the
merchants accepted a magnetic-stripe card instead of a smart-chip card. And after
peaking in 2008, fraud levels in Europe began to decline, according to research
company Euromonitor International. In spite of that fact — and the steady rise of

credit card fraud in America — less than 1 percent of credit cards in this country are of the smart-chip variety.

“The U.S. is still the only market using these 1960s magnetic-stripe cards,” said Paul Kocher, president of Cryptography Research, a company that develops fraud prevention technologies.

But outdated credit card technology isn’t the only problem with America’s credit card system. Security experts say there are also weaknesses in the way credit and debit card payment information travels from retailers to banks. When a retail customer makes a purchase with a credit or debit card, the payment information is transmitted from the retailer’s store terminal through its network to the issuing bank and credit card company. And most retailers still transmit that information in plain text without encryption.

“At every hop it could be vulnerable,” Cryptography Research’s Kocher told *The Times*. “There have been attacks at every stop along the way.”

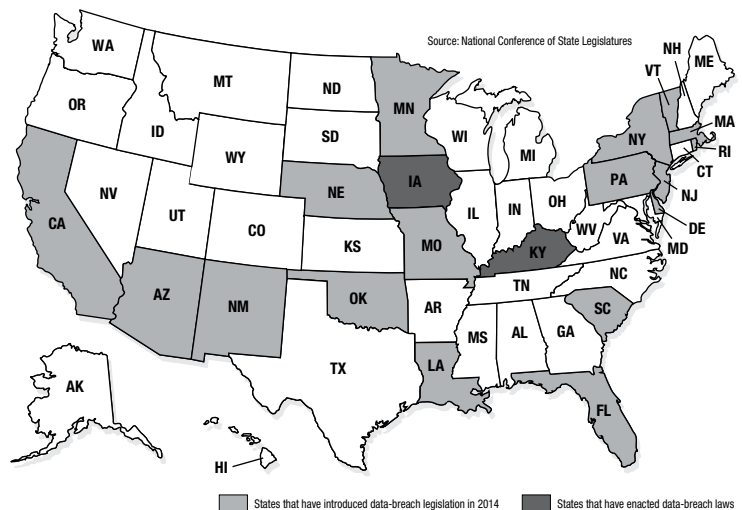
Even in cases where the purchase data is encrypted, there are other weak spots for thieves to exploit.

“Cash registers used to be just cash registers,” Dan Kaminsky, chief scientist at security consulting company White Ops, said to *The Times*, adding that today’s point-of-sale (POS) devices are basically computers that are as vulnerable to hacking as PCs.

According to a report this year by Verizon, the most popular form of POS attack involves the use of “RAM-scraping” malware, which captures payment data while it’s still being processed in memory and hasn’t yet been encrypted.

Retail and financial services aren’t the only industries vulnerable to data breaches. Verizon’s 2014 Data Breach Investigations Report (DBIR) examines the risks faced by numerous others, including insurance, hotels, restaurants, utilities, manufacturing and mining. And all of those industries don’t face the same risks. While POS intrusions are the main threat for retail businesses, for example, manufacturing and mining companies are more at risk of cyber espionage from other countries.

Bird’s eye view



States continue to focus on data security

At least 19 states have introduced and two states have enacted security-breach legislation in 2014, after 23 states introduced and eight states enacted such legislation last year, according to the National Conference of State Legislatures.

Most of the measures would make amendments to existing data-security laws. But Kentucky enacted its first data-breach measures (HB 5 and HB 232), leaving just three states — Alabama, New Mexico and South Dakota — that have not enacted such laws.



“It’s a complex landscape and you can’t take a top 10 list and say that everyone defend against the same things,” Jay Jacobs, Verizon senior analyst and DBIR co-author, told ZDNet. “There’s a risk grid by industry.”

The risks haven't gone unnoticed by state lawmakers. At least 19 states have introduced data-breach legislation this year, and 23 did so last year, according to the National Conference of State Legislatures. And every state but three — Alabama, New Mexico and South Dakota — has enacted at least one data-breach law. But most of those introduced measures and enacted laws focus mainly on requiring public notification of data breaches, leaving other data-security issues unaddressed.

However, last month, in addition to enacting a data-breach notification bill (HB 232), Kentucky also enacted a measure (HB 5) requiring public agencies that deal with personal information to “implement, maintain and update security procedures and practices, including taking any appropriate corrective action, to protect and safeguard against security breaches,” according to LexisNexis State Net’s legislative database.

That database also shows that California Assembly Speaker John A. Pérez (D) introduced a bill (AB 2200) in February that would create a “Cybersecurity Commission” to develop “cyber-attack response strategies.”

“The State of California’s growing dependence on technology has made it increasingly vulnerable to both foreign and domestic cyber security attacks,” the bill states. “Thus far, there has been a fragmented approach to this issue.... For the purposes of public safety and protection of public assets, the state has a role in coordinating and improving its overall security and response capabilities.”

The major credit card companies, including Visa and MasterCard, are addressing one critical data-security issue themselves. They've set October 2015 as the date when U.S. merchants will be subject to new smart-chip card standards and they will become liable for fraudulent magnetic-stripe transactions.

But with individual credit card numbers fetching up to \$45 apiece on the black market and even the most cutting-edge security not completely impervious to hacking, according to security experts, breaches aren't likely to end any time soon.

“It’s a game of cat and mouse,” said Heartland’s former security chief, Elephant. “We’re dealing with sophisticated bad guys that have many ways to attack.”

— *By KOREY CLARK*

Budget & taxes

NY AND NJ COULD BE DENIED \$1B-\$2B IN SANDY RELIEF: In 2013, after a contentious debate, Congress approved about \$60 billion in aid for the victims of Superstorm Sandy. Roughly \$15 million of that went

to the U.S. Department of Housing and Urban Development for distribution, and HUD has dispersed about \$10.5 billion of the money so far, mainly to New York and New Jersey, which took the brunt of the 2012 storm.

But instead of continuing that approach and helping those two states complete infrastructure projects and repairs to thousands of homes, HUD is considering devoting \$1 billion to \$2 billion of the remaining Sandy aid to a first-ever national competition for disaster resiliency projects.

HUD officials maintain the Sandy relief bill specified that the money be used for disasters other than Sandy that occurred between 2011 and 2013. But U.S. Sen. Charles Schumer (D-New York) doesn't agree with that interpretation, contending the bill allows other regions to receive disaster relief but doesn't require that unless New York's and New Jersey's needs are met.

"When Congress passed the Sandy relief bill, that was the number one priority, and it remains so," he said. "Once those priorities are met, we will look at other proposals."

Federal officials, meanwhile, stressed that they haven't made any decision yet.

"Our number one priority is to continue working with state and local officials to address the remaining unmet needs of those affected by natural disasters. In regards to any disaster funding, no determination has been made on programming or allocations of remaining funds," said a HUD spokeswoman (WALL STREET JOURNAL).

'HOUSE OF CARDS' STAYING IN MD: The life-imitating-art drama surrounding the efforts by the producers of the Netflix series "House of Cards" to coax millions of dollars more in tax breaks out of the state of Maryland, where the show is filmed, appears to have come to an end for this year. Gov. Martin O'Malley (D) and Beverly Hills, California-based Media Rights Capital announced last month that they have reached an agreement that will keep the show in Maryland for a third season.

The deal reportedly includes no new money in addition to the \$11.5 million in incentives state lawmakers already agreed to give MRC, \$3.5 million less than the company was seeking. The letter MRC sent to O'Malley and House Speaker Michael Busch (D) threatening to pull out of Maryland unless the state came up with the \$15 million in incentives the company said it qualified for was like something out of an episode from "House of Cards." And the response of the state's House, which adopted an amendment to its version of the state budget authorizing the state to use eminent domain to seize the property of any production company that tried to leave the state after claiming substantial tax credits, was downright "Underwoodian," a reference to the show's main character, Frank Underwood, a ruthless politician played by Kevin Spacey.

But it was all smiles after last month's accord. O'Malley released a statement reading: "Spoiler alert: We're going to keep the 3,700 jobs and more than 100 million dollars of economic activity and investment that 'House of Cards' generates right here in Maryland." And MRC Co-CEO Asif Satchu thanked both the governor for

his “tireless efforts to keep jobs in Maryland” and the state’s lawmakers “for their continued advocacy and support.”

Some, however, expressed concern about the future. One of them was David M. O’Ferrall, business agent for the International Alliance of Theatrical Stage Employees Local 487, hundreds of members of which have worked on “House of Cards.”

“They want to do more seasons, so we still have that battle to win,” he said (BALTIMORE SUN, STATE NET).

POLITICS IN BRIEF: Toyota Motor Corp. announced plans last month to move its U.S. headquarters from Torrance, **CALIFORNIA** to Plano, **TEXAS** and also shift engineering and finance operations from **NEW YORK** and **KENTUCKY** to the new facility. **TEXAS** Gov. Rick Perry’s (R) office said the move would bring more than \$300 million in jobs and capital investment to the state and that the Texas Enterprise Fund had offered Toyota \$40 million (STAR-TELEGRAM [FORT WORTH]). • **CONNECTICUT** Gov. Dannel Malloy (D) said he is dropping his plan to give residents \$55 tax rebates this year due to lagging income tax collections (HARTFORD COURANT, STATE NET). • Standard & Poor’s has downgraded its outlook for **NEW HAMPSHIRE**’s bonds from stable to negative in the wake of a court ruling declaring the state’s Medicaid Enhancement Tax illegal. S&P’s action could mean higher borrowing costs for the state (UNION LEADER [MANCHESTER]). • The **OKLAHOMA** Legislature passed and Gov. Mary Fallin (R) signed a bill (SB 1246) cutting the state’s top income tax bracket from 5.25 percent to 5 percent (OKLAHOMAN [OKLAHOMA CITY], STATE NET). • **KANSAS** officials projected last month that the state will take in nearly \$178 million more in revenues through June 2015 than previously predicted (ASSOCIATED PRESS, REPUBLIC [COLUMBUS]). • Also in **KANSAS**, Gov. Sam Brownback (R) signed a \$129 million school funding bill approved by state lawmakers last month. Brownback said the measure satisfies a March ruling on school funding by the Kansas Supreme Court (KANSAS FIRST NEWS [TOPEKA], STATE NET).

— *Compiled by KOREY CLARK*

Politics & leadership

SUPREME COURT UPHOLDS MI BAN ON AFFIRMATIVE ACTION:
Last month the U.S. Supreme Court upheld Michigan’s 2006 ballot initiative ending affirmative action at public universities in the state. The decision was 6-2 but there was considerably less consensus among the justices on the issue than that vote suggests.

Five separate opinions were issued by the court, laying out sharply contrasting views. The most strident was that of Justice Sonia Sotomayor, who was undoubtedly influenced by her personal experiences with affirmative action at Princeton University and Yale Law School.

At one point, she seemed to mock a memorable line from Chief Justice Roberts in a 2007 decision limiting the use of race to achieve integration in public schools.

“The way to stop discrimination on the basis of race,” he wrote, “is to stop discriminating on the basis of race.”

“The way to stop discrimination on the basis of race,” Sotomayor countered, “is to speak openly and candidly on the subject of race, and to apply the Constitution with eyes open to the unfortunate effects of centuries of racial discrimination.”

Justice Anthony Kennedy’s opinion, which was joined by Chief Justice Roberts and Justice Samuel Alito Jr., was more measured.

“This case is not about how the debate about racial preferences should be resolved,” he wrote. “It is about who may resolve it. There is no authority in the Constitution of the United States or in this court’s precedents for the judiciary to set aside Michigan laws that commit this policy determination to the voters.”

The high court’s decision won’t directly alter the ability of universities in states without affirmative action bans to consider race in their admissions processes. But the ruling will allow states to restrict that authority themselves through the ballot process, as states like California, Michigan, Nebraska and Washington have done, and it could encourage other states to do the same. (WALL STREET JOURNAL, NEW YORK TIMES, NATIONAL CONFERENCE OF STATE LEGISLATURES)

FEDERAL COURT STRIKES DOWN WI VOTER ID LAW: A federal judge struck down a Wisconsin law last Tuesday that required voters to show a photo identification before being allowed to vote. U.S. District Judge Lynn Adelman ruled that the state did not make a compelling case that voter fraud is a significant problem, adding that the law unconstitutionally imposes an unfair burden on poor and minority voters. Gov. Scott Walker (R) said the state is considering its options for an appeal. (WASHINGTON POST, FOXNEWS.COM)

SUPREME COURT CONSIDERS CHALLENGE TO ELECTION LYING LAW: You wouldn’t guess it from observing most political campaigns, but in some states lying in an election is actually against the law. A challenge to one of those laws, in Ohio, was taken up by the U.S. Supreme Court last month.

The Ohio Elections Commission has rarely referred violations of the state’s false-statement law for prosecution, but two conservative groups, Susan B. Anthony List

Upcoming stories

Here are some of the topics you may see covered in upcoming issues of the *State Net Capitol Journal*:

- **Tesla**
- **ACA**
- **Compassionate use**

and the Coalition Opposed to Additional Spending and Taxes, have alleged the law violates the First Amendment by suppressing protected speech.

“It almost never comes to a criminal prosecution, but that doesn’t mean there’s no chilling effect on speech,” said Daniel Tokaji, an Ohio State University law professor who isn’t associated with the case.

A ruling, which is expected in June, could have implications for more than a dozen other states with false-statement laws similar to Ohio’s. But it’s unlikely any changes will come before the end of the current election cycle. (WALL STREET JOURNAL, NATIONAL PUBLIC RADIO)

POLITICS IN BRIEF: A county judge in **MINNESOTA** ordered Secretary of State Mark Ritchie (DFL) to shut down the state’s new online voter registration system. In his ruling, Ramsey County District Judge John Guthmann said the system was set up without the permission of the state Legislature, which is controlled by the GOP (MINNEAPOLIS STAR TRIBUNE). • For the first time since 1985 and only the second time since 1973, a majority of the members of **WISCONSIN**’s Assembly were in their first or second terms at the start of the legislative session. The turnover was largely driven by several “R”s: Republican victories in 2010, recalls, redistricting and retirements (MILWAUKEE JOURNAL SENTINEL). • Three ballot measures — aimed at legalizing marijuana, increasing the minimum wage, and obtaining legislative approval for a gold, copper and molybdenum mine — that were scheduled for **ALASKA**’s August primary are being switched to the November general election. A fourth ballot measure, seeking the repeal of oil tax cuts passed in 2013, will remain on the state’s Aug. 19 primary ballot (ANCHORAGE DAILY NEWS).

— *Compiled by KOREY CLARK*

Governors

FALLIN ORDERS EXECUTION REVIEW: Facing intense scrutiny over the botched execution of a condemned prisoner last week, Oklahoma Gov. Mary Fallin (R) imposed a moratorium on capital punishment in the Sooner State until officials can complete a thorough review into what happened. Fallin said that Department of Public Safety Commissioner Michael Thompson will head the effort. Fallin also defended the use of the death penalty, saying the prisoner — a convicted murderer and rapist named Clayton Lockett — had his day in court and received an appropriate sentence for his crimes.

“I believe the death penalty is an appropriate response and punishment to those who commit heinous crimes against their fellow men and women,” Fallin said.

“However, I also believe the state needs to be certain of its protocols and its procedures for executions and that they work.”

The governor further stayed until May 13 the execution of a second man, Charles Warner, who was also supposed to be executed last Tuesday night. But Fallin said the execution could be delayed again if the investigation is not completed by then.

That inquiry will seek to learn why Lockett began to stir violently and call out seemingly in pain approximately 10 minutes after being injected with the combination of drugs that was supposed to render him unconscious. He died of an apparent heart attack 43 minutes later. In the immediate aftermath, Sooner State officials blamed the incident on a ruptured vein in Lockett’s arm.

The lead up to the execution had already drawn significant attention from around the nation, both for the unusual plan to execute two prisoners in one day and for a heated legal battle over whether the state would reveal the drugs it intended to use to kill them. The Oklahoma Supreme Court had previously voted 5-4 to grant a request from Lockett and Warner to delay their executions until the state revealed the chemicals it was planning to use in that process. But the court backed down after state Rep. Mike Christian (R) filed articles of impeachment against the five justices.

What happens now isn’t clear. Death penalty opponents renewed calls for a nationwide moratorium, something many experts do not expect to happen. The U.S. Supreme Court upheld the constitutionality of lethal injection executions in 2008, but since then states have faced increasing difficulty obtaining the drugs used in the process and finding medical personnel willing to administer them. According to the Death Penalty Information Center, at least seven states that allow capital punishment have imposed moratoriums or otherwise halted carrying out executions in recent years. (WASHINGTON POST, OKLAHOMAN [OKLAHOMA CITY], NEW YORK TIMES, ASSOCIATED PRESS)

Upcoming elections

(5/2/2014 - 5/23/2014)

05/06/2014

Indiana Primary Election

House (All)

Senate Districts 1, 4, 6, 11, 14-15, 17, 19, 21-23, 25-27, 29, 31, 38-39, 41, 43, 45-49

Constitutional Officers: Secretary of State, Treasurer, Auditor

US House (All)

North Carolina Primary Election

House (All)

Senate (All)

US House (CD 1-11, and 13)

US Senate

North Carolina Special Primary

US House (CD 12)

Ohio Primary Election

House (All)

Senate (Odd)

Constitutional Officers: Governor, Lieutenant

Governor, Secretary of State, Treasurer, Attorney General, Auditor

US House (All)

05/10/2014

Texas Special Election

Senate District 4

05/13/2014

Nebraska Primary Election

Legislature (Even)

Constitutional Officers: Governor, Lieutenant

Governor, Secretary of State, Treasurer, Attorney General, Auditor of Public Accounts

US House (All)

US Senate

West Virginia Primary Election

House Districts 1-67

Senate Districts 1-17

US House (All)

US Senate

MISSOURI GOP SEEKS TO IMPEACH NIXON: A Republican-led House committee introduced three articles of impeachment against Gov. Jay Nixon (D) last week, but did not vote on any of the measures. The main article contends that Nixon violated the Show Me State constitution when he issued an executive order allowing same-sex couples married in other states to file joint tax returns with the state if they do so at the federal level. The others fault the governor for delays in calling special elections for vacant seats in the Legislature and releasing information gleaned from concealed carry gun permit applications to federal agencies. Nixon dismissed the effort, calling it “some sort of show.” (KANSAS CITY STAR, ST. LOUIS POST-DISPATCH)

SCOTT HIT WITH DUAL SETBACKS: The Florida Legislature is showing no interest in honoring Gov. Rick Scott’s (R) desire to hold a special session to ratify a new gaming contract with the Seminole tribe. Lawmakers hinted they were annoyed that Scott had not shared more details of the compact with them, intimating they believed that meant Scott’s proposal was overly generous to the tribe. Several lawmakers told the *Miami Herald* they believed he was close to an agreement that would give the Seminoles exclusive ability to continue offering black jack and banked card games, and to possibly expand into craps and roulette.

Although Scott hasn’t revealed details, they also want him to secure more money from the tribe each year without agreeing to allow destination resorts casinos in South Florida and to flatly deny any gaming expansion at the state’s parimutuels. Rep. Jim Waldman (D) expressed the feelings of many of his colleagues, saying, “If we are not involved in any of the discussions the likelihood of us going along is very slim.”

This all comes a week after the U.S. Supreme Court rejected Scott’s petition to review a ruling that his random drug testing policy for state employees is unconstitutional. That leaves in place a lower court’s ruling that struck down his 2011 executive

Upcoming elections (cont.)

(5/2/2014 - 5/23/2014)

05/20/2014

Arkansas Primary Election

House (All)

Senate Districts 3-6, 8-10, 14-15, 17-20, 24, 30-31, 33 and 35

Constitutional Officers: Governor, Lieutenant Governor, Secretary of State, Treasurer, Attorney General, Auditor, Commissioner of State Lands

US House (All)

US Senate

Georgia Primary Election

House (All)

Senate (All)

Constitutional Officers: Governor, Lieutenant Governor, Secretary of State, Attorney General, Comptroller General/Commissioner of Insurance, Superintendent of Education, Commissioner of Labor

US House (All)

US Senate

Idaho Primary Election

House (All)

Senate (All)

Constitutional Officers: Governor, Lieutenant Governor, Secretary of State, Treasurer, Attorney General, Controller Superintendent of Public Instruction

US House (All)

US Senate

Kentucky Primary Election

House (All)

Senate (Even)

US House (All)

US Senate

Oregon Primary Election

House (All)

Senate Districts 3, 4, 6, 7, 8, 10, 11, 13, 15, 16, 17, 19, 20, 24, and 26

Constitutional Officers: Governor, Commissioner Of Labor and Industries

US House (All)

US Senate

Pennsylvania Primary Election

House (All)

Senate (Even)

Constitutional Officers: Governor, Lieutenant Governor

US House (All)

order making consent to drug testing a condition of employment in executive agencies, even when there is no reason to suspect a worker has used illegal drugs. The lower court's ruling did allow for the testing in some safety-related jobs, but just which positions fall into that category has not been decided yet. (TAMPY BAY TIMES, BRADENTON HERALD)

GOVERNORS IN BRIEF: Reacting to a court ruling overturning his executive order barring the sale of a powerful new painkiller, **MASSACHUSETTS** Gov. Deval Patrick (D) fostered new rules that require doctors to complete a risk assessment and "pain management treatment agreement" before prescribing extended-release medications that contain only hydrocodone and are "not in abuse-deterrent form." Patrick's order was intended to block the sale of the FDA-approved drug Zohydro, which he contends is sold in a form that is easy to crush, allowing potential abusers to then inject or inhale it (BOSTON.COM, BOSTON HERALD). • **NEW YORK** Gov. Andrew Cuomo (D) has hired a consultant to help devise a plan to build a new stadium that would convince potential new owners of the Buffalo Bills NFL franchise to keep the team from relocating to another state. The consultant, Irwin Raij, was involved in working out a new lease deal last year between the team and the city, as well as representing Guggenheim Baseball Management in its 2012 purchase of the Los Angeles Dodgers. He is expected to be given 90 days to present a proposal that would include several potential sites for a new stadium (BUFALLO NEWS). • **WASHINGTON** Gov. Jay Inslee (D) issues Executive Order 14-04, which, among several things, sets up a carbon emissions-reduction task force that includes labor organizations, community groups and businesses, and which directs state agencies to work with utilities to transition away from coal-powered electricity and to evaluate requiring the use of cleaner transportation fuels. Inslee's order requires the task force to develop a program that sets a cap on carbon emissions and considers measures to offset costs to consumers and help businesses, with recommendations due in November (TACOMA NEWS TRIBUNE).

In the hopper

At any given time, State Net tracks tens of thousands of bills in all 50 states, the US Congress and the District of Columbia. Here's a snapshot of what's in the legislative works:

Number of 2014 Prefiles last week: 137

Number of 2015 Prefiles last week: 29

Number of Intros last week: 606

Number of Enacted/Adopted last week: 792

Number of 2014 Prefiles to date: 20,540

Number of 2015 Prefiles to date: 110

Number of 2014 Intros to date: 71,214

Number of 2013 Session Enacted/Adopted overall to date: 40,747

Number of 2014 Session Enacted/Adopted overall to date: 16,002

Number of bills currently in State Net Database: 160,441

— Compiled By FELICIA CARILLO
(measures current as of 4/30/2014)
Source: State Net database

— Compiled by RICH EHISEN

Hot issues

BUSINESS: The **LOUISIANA** House unanimously approves HB 1264, which would ban the sale of electronic cigarettes and other nicotine alternatives to minors. It moves to the Senate (NEW ORLEANS TIMES-PICAYUNE).

• **KENTUCKY** Gov. Steve Beshear (D) signs SB 109, a bill that prevents the sale of electronic cigarettes to anyone under 18, regardless of whether the device uses nicotine (LANEREPORT.COM). • The **VERMONT** House gives final approval to HB 112, which would require food manufacturers to label products containing genetically modified organisms. The measure, which would exempt meat, dairy, liquor and food sold in restaurants, moves to Gov. Pete Shumlin (D), who has said he will sign it (BURLINGTON FREE PRESS). • **ARIZONA** Gov. Jan Brewer (R) signs HB 2163, a bill that allows a company involved in space flights to require customers to sign a liability release agreement to limit the company's civil liability in the event of injury or death during the flight (AZCENTRAL.COM). • **CALIFORNIA** Gov. Jerry Brown (D) signs AB 777, which will give a 10-year property tax break to the Golden State's fast-growing private space industry. The measure goes into effect immediately (TECHWIRE.NET, STATE NET). • **WISCONSIN** Gov. Scott Walker (R) signs SB 498, so-called "patent troll" legislation that requires those suing for patent infringement to include specific information about the basis of the claim, including the number of the patent allegedly being infringed and how the allegations relate to a product, service, process, or technology of the business (WISCONSIN GOVERNOR'S OFFICE). • The **HAWAII** House approves SB 2609, a bill that would raise the Aloha State minimum wage to \$10.10 by 2018. The bill goes now to Gov. Neil Abercrombie (D), who is expected to sign it into law (CIVIL BEAT [HONOLULU]). • The **MISSOURI** House approves SB 694, which would eliminate renewals on payday loans and lower the amount of interest lenders can charge. It moves to the Senate (KANSAS CITY STAR). • Also in **MISSOURI**, the House passes SB 689, which would allow Show Me State retailers to sell beer by the bottle. It moves to Gov. Jay Nixon (D) for review (ST. LOUIS POST-DISPATCH).

CRIME & PUNISHMENT: **GEORGIA** Gov. Nathan Deal (R) signs HB 965, which makes the Peach State the 15th to grant limited criminal immunity to people who seek help for someone suffering from a drug or alcohol overdose. The measure also makes **GEORGIA** the 19th state to extend legal protections to people who administer the anti-overdose drug naloxone to someone experiencing an opiate overdose (HUFFINGTON POST). • **WISCONSIN** Gov. Scott Walker (R) signs AB 409, a measure that requires at least two outside investigators to look into any officer-involved death of a suspect. The law also requires that if district attorneys choose not to charge officers, the investigators must release their report to the public and families

must also be told how to file complaints and pursue charges through a judge if they don't agree with the district attorney's decision (MARSHFIELD NEWS HERALD). • Still in **WISCONSIN**, Gov. Walker signs SB 620, which, among several things, allows human trafficking victims to ask a judge to vacate or expunge prostitution convictions (CHANNEL3000.COM, WISCONSIN GOVERNOR'S OFFICE). • **TENNESSEE** Gov. Bill Haslam (R) signs SB 1391, legislation that allows authorities to charge a pregnant woman with a misdemeanor for taking illegal drugs during her pregnancy that leads to her child being born addicted. The law takes effect July 1 (NASHVILLE TENNESSEAN).

EDUCATION: The **INDIANA** Board of Education gives final approval to new math and English curriculum standards to replace the national Common Core standards. The Hoosier State recently became the first to opt out of the multi-state Common Core guidelines, a project of the National Governors Association (INDIANAPOLIS STAR). • The **FLORIDA** House approves HB 753, a bill that would allow school leaders to designate certain teachers or other personnel to carry concealed weapons on school grounds. It moves to the Senate (MIAMI HERALD).

ENVIRONMENT: The U.S. Supreme Court upholds a federal regulation requiring some states to limit pollution that contributes to unhealthy air in neighboring states. The Court's ruling said the U.S. Environmental Protection Agency acted reasonably in requiring 28 states to reduce emissions from coal-fired power plants of sulfur dioxide and nitrogen oxides, which can lead to soot and smog (REUTERS). • **ARIZONA** Gov. Jan Brewer (R) vetoes HB 2699, a bill that would have required the federal government to reimburse individuals who sustained losses as a result of the federal Mexican Wolf Recovery Program. She said the state has no power to force the federal government to make such payments (AZCENTRAL.COM).

HEALTH & SCIENCE: The **IOWA** House endorses SF 2360, legislation that would legalize the possession and use of marijuana oil for the treatment of epilepsy. It moves to Gov. Terry Branstad (R), who has indicated he will sign it (DES MOINES REGISTER). • **ARIZONA** Gov. Jan Brewer (R) signs SB 1337, legislation that allows a pharmacist to fill a prescription issued by any licensed physician from any country. Grand Canyon law previously only allowed such purchases from Mexico or Canada (AZCENTRAL.COM). • Also in **ARIZONA**, Gov. Brewer signs HB 2491,

The week in session

States in Regular Session: CA, CO, CT, DC, DE, FL, HI, IA, IL, KS, LA, MA, ME, MI, MN, MO, NH, NJ, NY, OH, OK, PA, PR, RI, SC, TN, US, VT, WI

States in Special Session: CA "b", VA "a"

States currently prefilng for 2015 Session: MT

States adjourned in 2014: AL, AR, CA "a", DE "b", ID, IL "a", IL "b", IN, NE, NM, OR, PR "a", PR "b", SD, UT, WA, WA "a", WA "b", WA "c", WI "c", WV, WV "a", WY

Letters indicate special/extraordinary sessions

— Compiled By FELICA CARILLO
(session information current as of 4/30/2014)
Source: State Net database

which requires all hospitals to test newborns for critical congenital heart defects and report the results to the state lab (AZCENTRAL.COM). • **KENTUCKY** Gov. Steve Beshear (D) signs SB 124, which allows the use of cannabis oil, a marijuana derivative, when prescribed by a research university or through an FDA study (LANEREPORT.COM). • **WISCONSIN** Gov. Scott Walker (R) signs SB 518, which codifies that the Badger State’s “informed consent” law — which includes telling a patient about medical tests and treatments that may be appropriate for a patient’s symptoms, even if the doctor doesn’t believe the patient has the underlying condition or disease — applies to chiropractors, dentists, podiatrists and optometrists (WISCONSIN GOVERNOR’S OFFICE). • **NEBRASKA** Gov. Dave Heineman (R) signs LB 254, which requires Cornhusker State health insurers to provide coverage for screening, diagnosis and treatment of autism in a child until age 21 (INSURANCENEWSNET.COM).

IMMIGRATION: **ARIZONA** Gov. Jan Brewer (R) signs HB 2462, which allows construction and maintenance of a physical or virtual fence within one mile of the Arizona-Mexico border (AZCENTRAL.COM). • Also in **ARIZONA**, Gov. Brewer signs SB 1221, which allows the state attorney general to fight subpoenas issued to state employees over the Grand Canyon State’s immigration enforcement law, even if they’re not parties to the lawsuit (MOHAVE VALLEY DAILY NEWS). • **VIRGINIA** Attorney General Mark R. Herring (D) announces that illegal immigrants who were brought to this country as children qualify for in-state tuition under the federal Deferred Action for Childhood Arrivals program as long as they meet Old Dominion residency requirements. Earlier this year, lawmakers in the House rejected a measure that would have codified that eligibility in state statute (WASHINGTON POST).

SOCIAL POLICY: **MISSISSIPPI** Gov. Phil Bryant (R) signs HB 1400, a bill that bars abortions after a woman reaches the 20th week of pregnancy. The measure exempts cases where the mother’s life is in danger or there is a chance of a severe abnormality in the fetus, but not those where the pregnancy is a case of rape or incest (JACKSON CLARION-LEDGER). • **GEORGIA** Gov. Nathan Deal (R) signs SB 98, which bans insurance coverage for abortion for both state employees and those buying insurance through the state health benefits exchange (RHREALITYCHECK.ORG).

POTPOURRI: **ARIZONA** Gov. Jan Brewer (R) signs SB 1476, which requires the state’s emergency management agency to develop recommendations for citizens just in case of nuclear attack (MOHAVE VALLEY DAILY NEWS). • Also in **ARIZONA**, Gov. Brewer signs SB 1097, which requires the state Department of Public Safety to develop a “silver alert” system to coordinate emergency alerts for seniors who have gone missing and who are thought to be in danger (MOHAVE VALLEY DAILY NEWS). • **GEORGIA** Gov. Nathan Deal (R) signs HB 60, which

● allows Peach State residents to carry firearms in
● most public places, including schools, bars, churches
● and government buildings (ATLANTA JOURNAL-
● CONSTITUTION). • **COLORADO** Gov. John
Hickenlooper (D) signs HB 1299, a bill that requires
any car sold in the Centennial State that has been
totaled and then rebuilt to have a salvage brand on its
title. The law previously only applied to cars six years
old or newer (KDVR.COM [DENVER]).

In case you missed it

Obamacare remains an uncertain work in progress for the federal government and the 14 states and District of Columbia that operate exchanges at which the uninsured can enroll for health care insurance.

In case you missed it, the story can be found on our Web site at

http://www.statenet.com/capitol_journal/04-14-2014/html#sncj_spotlight

— Compiled by *RICH EHISEN*

Once around the statehouse lightly

OH, THOSE YELLOW SHIRTS: California Assemblywoman Lorena Gonzalez is nothing if not a trooper. As the *California Morning Report* notes, Gonzalez showed up last week at a Sacramento church to address an alliance of groups that collectively advocate for immigrants and the poor. Gonzalez followed signs in the building to where they were gathered, met up with organizers and gave her speech. Only then did she discover that she was in the wrong room. The group she was supposed to address was actually in the next room over. As it turns out, both groups have very similar missions and organizers from each were all wearing bright yellow t-shirts. Oops. A Gonzalez spokesperson said his boss was “amused” about the mix-up. She was also nonplussed — she dutifully marched to the correct room and gave her speech all over again.

A LOT TO REMEMBER: You have to forgive Assemblywoman Gonzalez if she was feeling a bit scattered — folks around here have a lot to remember these days. As the *Sacramento Bee* reports, the Golden State Assembly recently enshrined its recognition of Holocaust Remembrance Week. Alas, that was just a smattering of such recognitions to come. Lawmakers then dubbed April to be Child Abuse Prevention Month. And Parkinson’s Disease Awareness Month. And Alcohol Awareness Month. And California Poppy Month. And California Craft Brewery Month. And Sexual Assault Awareness Month. And Mathematics Awareness Month. Although apparently not worthy of a whole month of raised consciousness, West Nile Virus and Mosquito and Vector Control Awareness did get their own week, as did

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National Multicultural Cancer Awareness. But wait, there's more! Bills to recognize Distracted Driving Awareness Month and School Bus Drivers Day still await votes.

EAT A MONKEY, GO TO JAIL: Haters of the federal Endangered Species Act are pretty sure they have it bad any time the law gets in the way of something they want to do. But buck up, little buckaroos, it can always be worse. As *Reuters* reports, China recently announced it will begin issuing 10-year jail sentences to people who eat rare and endangered species. China lists 420 such animals and birds, including the panda, golden monkeys, Asian black bears and pangolins, many of which are poached every year by hunters who then sell the animals' parts to people who believe they hold some medicinal value. But there is an even more insidious market — the country's burgeoning nouveau riche, many of whom believe that paying a fortune for and then chowing down on an endangered species gives them social cred within their wealthy circles. And we complain that our one-percenters are selfish?

— By *RICH EHISEN*



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Graphic Design: Vanessa Perez

State Net ISSN: 1521-8449



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